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ATTORNEYS AT LAW

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FORMERLY
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1898-1962

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1923-1981

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14000
RECORDATION NO. 1425
FILED 1425

APR 11 1983 - 10 10 AM

INTERSTATE COMMERCE COMMISSION

April 6, 1983

3-1011033

Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, D.C. 20423

ATTENTION: Mildred Lee - Room 2303

Dear Ms. Lee:

No. APR 11 1983
Date.....
Fee \$50.00
ICC Washington, D. C.

Enclosed you will find an original and two copies of an executed and notarized "Note and Security Agreement." We have also enclosed a check in the amount of \$50.00 to cover filing costs. The secured party in this transaction is the Maxson Corporation, 500 Como Avenue, St. Paul, Minnesota 55164. The debtor is North Central Oklahoma Railway, Inc., P.O. Box 1339, El Reno, Oklahoma 73036. The property used to secure the Note consist of two EMD G.P. 7, 1500 horsepower diesel locomotives, Unit Nos. 613 and 614.

Very truly yours,

MOORE, COSTELLO AND HART

Malcolm G. McDonald

APR 11 10 04 AM '83
FEE OPERATION BR.
I.C.C.
OFFICER

MGM:cdy
enc.
cc: Robert Nord

P.S. Please acknowledge receipt of this letter by returning the enclosed copy with signature.

(signature)

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

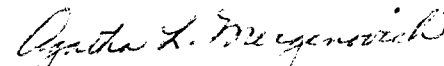
Malcolm G. McDonald
Moore, Costello and Hart
1400 NorthWestern Ntl. Bnk. Bldg.
55 East Fifth Street
Saint Paul, Minnesota 55101

April 11, 1983

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/11/83 at 10:10AM, and assigned re-recording number(s). 14000

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

NOTE AND SECURITY AGREEMENT

RECORDED IN AP. 14000
APR 11 1983 - 10 10 AM
INTERSTATE COMMERCE COMMISSION

1. North Central Oklahoma Railway, Inc., P.O. Box 1339, El Reno, Oklahoma 73036 (hereinafter called "North Central"), for value received, hereby promises to pay to the order of The Maxson Corporation, at its offices at 500 Como Avenue, St. Paul, Minnesota, (hereinafter called "Maxson") the principal sum of One Hundred Seventy-Five Thousand Five Hundred Dollars (\$175,500.00) in lawful money of the United States, and further promises to pay accrued interest thereon from the date hereof as hereinafter set forth. Said interest shall accrue at a rate which shall be equal to the prime interest rate charged by the Northwestern National Bank of St. Paul, Minnesota, plus an additional two and one-half percent (2-1/2%). Said interest rate shall be revised every six months beginning October 1, 1983, and every subsequent first day of April and October until this Note is paid in full.

2. The principal sum of this Note shall be paid in Sixty (60) equal monthly installments commencing on May 15, 1983, and continuing on the fifteenth day of each month thereafter until this Note is paid in full. Interest payments at the rate set forth above shall be made on a monthly basis commencing on May 15, 1983, and continuing on the fifteenth day of each month thereafter until this Note is paid in full. Unless the maturity of this Note is accelerated as hereinafter set forth, this Note shall mature on April 15, 1988, at which time any remaining principal and accrued interest, if any, is fully due and payable. All payments, including prepayments, shall be applied first to accrued interest, if any, and the balance thereof to principal.

3. This Note may be prepaid at any time and from time to time, in whole or in part, without premium or penalty. Notwithstanding any prepayment hereunder, the monthly payments of principal and interest due hereunder shall continue to be due and payable in full as provided herein until this Note is paid in full.

4. As security for North Central's obligations hereunder, North Central hereby grants to Maxson a security interest in two (2) EMD G.P. 7, 1500 horsepower diesel locomotives, unit numbers 613 and 614, including any attachments, accessories, accessions, equipment and parts now or hereafter attached thereto (hereinafter referred to as the "collateral") and in any proceeds therefrom.

North Central covenants that it will: (i) keep the collateral in first class order, repair and running condition and replace any worn or broken parts; (ii) keep the collateral free and clear of all liens and encumbrances (other than the security interest granted hereby); (iii) permit Maxson and its representatives free access to the collateral at all reasonable times for the purpose of inspection; (iv) promptly notify Maxson in writing of any loss or damage to the collateral; (v) maintain insurance at all times with respect to the collateral in such amounts and against risks of bodily injury, property damage, collision, fire, theft and such other risks as may be required by Maxson, such insurance to be payable to Maxson and North Central as their interests may appear; (vi) not remove the collateral from the State of Oklahoma without the prior written consent of Maxson; (vii) not abandon the collateral; (viii) not sell, assign, lease, mortgage, grant a security interest in, or otherwise dispose of any interest in the collateral without the prior written consent of Maxson; and (ix) not use or permit the collateral to be used for any unlawful purpose or in violation of any federal, state or municipal statute, rule or regulation.

5. The occurrence of one or more of the following events shall constitute an Event of Default hereunder: (i) North Central fails to pay any installment of principal or interest hereunder when due and such failure continues for a period of thirty (30) days; (ii) any statement, representation, covenant or warranty made herein or in any supporting financial statement by or on behalf of North Central is false or breached in any material respect; (iii) North Central fails to observe

or perform any other covenant or agreement herein; (iv) North Central is unable to pay its debts in the ordinary course of business as they become due; (v) North Central enters into any general arrangement with creditors or applies for or consents to the appointment of a receiver, a trustee or liquidator of all or a substantial part of its assets; (vi) North Central files a voluntary petition in bankruptcy or files a petition or answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether Federal or State) relating to relief of Debtors; (vii) North Central has an involuntary petition under any Chapter of the Bankruptcy Act, as amended, filed against it which is not dismissed within thirty (30) days, or (viii) North Central suffers the approval, by a court of competent jurisdiction, of a petition seeking the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets which continues in effect or unstayed for thirty (30) days.

6. Upon the occurrence of any Event of Default hereunder, and at any time thereafter, Maxson may exercise one or more of the following rights and remedies: (i) accelerate the maturity of this Note and declare any remaining principal and accrued interest, if any, to be immediately due and payable; (ii) exercise and enforce any and all rights and remedies after default of a secured party under the Uniform Commercial Code, as adopted in the State of Minnesota, including, but not limited to, the right to take possession of the collateral without judicial process. Failure of Maxson to exercise any of its rights or remedies hereunder in the event of the occurrence of one or more Events of Default by North Central shall not constitute a waiver by Maxson of its rights hereunder if one or more Events of Default should subsequently occur or reoccur. All rights and remedies hereunder of Maxson shall be cumulative and may be exercised singularly or concurrently at Maxson's option, and the exercise of enforcement of any one such right or remedy shall not be a condition to nor bar the exercise or enforcement of any other right or remedy. Any notices required to be given by Maxson to North Central regarding the intended disposition of the collateral after repossession thereof by Maxson shall be deemed to be commercially reasonable if mailed by registered or certified mail, postage prepaid, to North Central at its address set forth above at least ten (10) calendar days prior to the date of intended disposition.

7. Maxson reserves the right to assign this Note and Security Agreement without the consent of North Central.

8. North Central hereby waives demand, protest, notice of protest and notice of nonpayment and dishonor. North Central further agrees to pay all costs incurred by Maxson to collect the amounts due under this Note, whether or not suit is filed with respect thereto, together with reasonable attorney's fees.

9. This Note and Security Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

NORTH CENTRAL OKLAHOMA RAILWAY, INC.

By

Its

STATE OF OKLAHOMA)
COUNTY OF Canadian } ss.

On this 25th day of March, 1983, before me personally appeared Calvin Shelton, to me personally known, who, being by me duly sworn on oath, did say that he is the president of North Central Oklahoma Railway, Inc., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and that he acknowledged that he executed the foregoing instrument as the free act and deed of said corporation.



(Notarial Seal)
My Commission Expires
3-5-86

Leora J. [Signature]
Notary Public